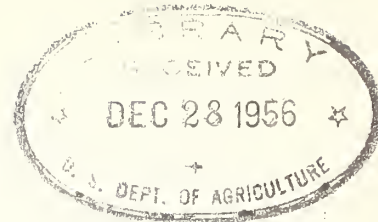


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UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Extension Service
Washington 25, D. C.



DAIRY HIGHLIGHTS

Supply Considerations:

Item	1953	1954	Change
<u>Billion Pounds</u>			
United States Production	121.5	123.5	+ 2.0
Domestic Use	115.1	119.0	+ 3.9
Production in Excess of Domestic Use ^{1/}	6.4	4.5	- 1.9

^{1/} In each year .9 billion pounds were exported commercially.

Note that the gain in domestic use in 1954 was greater than the increase in production.

Recent developments point to increased production of milk late this year or in 1956. Prices of milk and butterfat have become more favorable compared with other livestock products and feed than in the last two years. The record supplies of feed grain and hay also will tend to boost output.

On January 1, 1955 cow numbers were down one percent from a year earlier.

The average quantity of milk produced per cow in 1954 (5512 pounds) was one percent above 1953 and 3.5 percent above 1952. Over the past 20 years the average annual increase in production per cow has been 1.8 percentage points per year.

On June 1, 1955 production of milk per cow, per day, in herds of crop correspondents reached a new high of 21.9 pounds. On July 1, 1955 production of 20.3 pounds was still a record for that date, however the 7.3 percent drop in production per cow was as sharp a drop as any year since the early 1930's.

The percentage of milk cows being milked, which in recent months has been setting new highs, dropped sharply to a below average level of 75.8 percent on July 1, 1955.

Total production of milk in the United States during the first 6 months of 1955 was 65.5 billion pounds, about one-third of a billion pounds short of last year's record for the period.

Presented by Max K. Hinds, Extension Economist, Dairy Marketing Division of Agricultural Economics Programs, Federal Extension Service, U.S. Department of Agriculture, at the Regional Outlook Meeting, St. Mary's Lake Recreational Center, Battle Creek, Michigan, July 29, 1955.

Production of nonfat dry milk solids during May 1955 was an all time high for the month and output of evaporated milk was the highest in three years.

Demand Considerations:

In addition to a substantial price decline on April 1, 1954 increased population and increased consumer incomes, the greatest promotional program in history was carried on. Compared with 1953:

Butter consumption showed the greatest gain (5 percent)
from 8.6 to 9.0 pounds per capita

Cheese consumption increased one-fifth pound per capita

Fluid milk increased one-half pound per capita

Evaporated milk was down one-half pound per capita

Ice cream declined three-fourths pound per capita

Nonfat dry milk increased one-tenth pound per capita

On a milk equivalent basis the gain for all dairy products as a group was 11 pounds, from 688 pounds in 1953, the lowest in 30 years, to 699 pounds in 1954.

In 1955 the "Milk for Schools Program" has stepped up consumption among school children. This should help establish the milk drinking habit among many more children. In addition, apparently the 1955 promotional program is "out-doing" the one in 1954.

Information from Federal order markets indicate sales of whole milk about 4 percent higher than a year earlier. Sales of skim milk continue to show some increase.

Data on Purchases for Household Use

Four weeks in May 1955:

Butter - 62 million pounds - up 4 million from May 1954
Margarine - 94 million pounds - up 7 million from May 1954
Cheese - 47.5 million pounds - down 3.8 million from May 1954
(Natural cheese gained 1.2 million but processed lost 5 million pounds)
Nonfat dry milk solids - 13.2 million pounds - up 2.3 million from May 1954
(Average price paid was 2 cents per pound above a year earlier)

Purchases for Price Support

Whole milk equivalent of butter and cheese:

Market year ending March 31, 1955 - 5-3/4 billion pounds
Market year ending March 31, 1954 - 11 billion pounds

During the early part of the 1955-56 marketing year 1.6 billion pounds were purchased compared with 2.0 billion pounds in the same period a year earlier.

Purchases in Millions of Pounds

	<u>April 1 through July 15, 1954</u>	<u>April 1 through July 15, 1955</u>
Butter	150.4	100.5
Cheese	78.1	57.7
NFDMS	251.4	295.0

Available Stocks Held by CCC

	<u>Mid-July, 1954</u>	<u>Mid-July, 1955</u>
	<u>Millions of Pounds</u>	
Butter	461	179
Cheese	422	273
NFDMS	293 <u>1/</u>	157

1/ 478 million pounds had been sold for livestock feed.

